Financing Plan Presentation

$2,500,000 Combination Tax and Revenue Certificates of Obligation, Series 2026

City of La Vernia, Texas

July 9, 2026

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SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Purpose of Presentation

- Discuss the next steps required to access $2,500,000 in bond proceeds to finance Water and Wastewater related projects.

- To provide an overview of issuing bonds in September 2026

- Key Topics:

    1) City's current Outstanding Debt

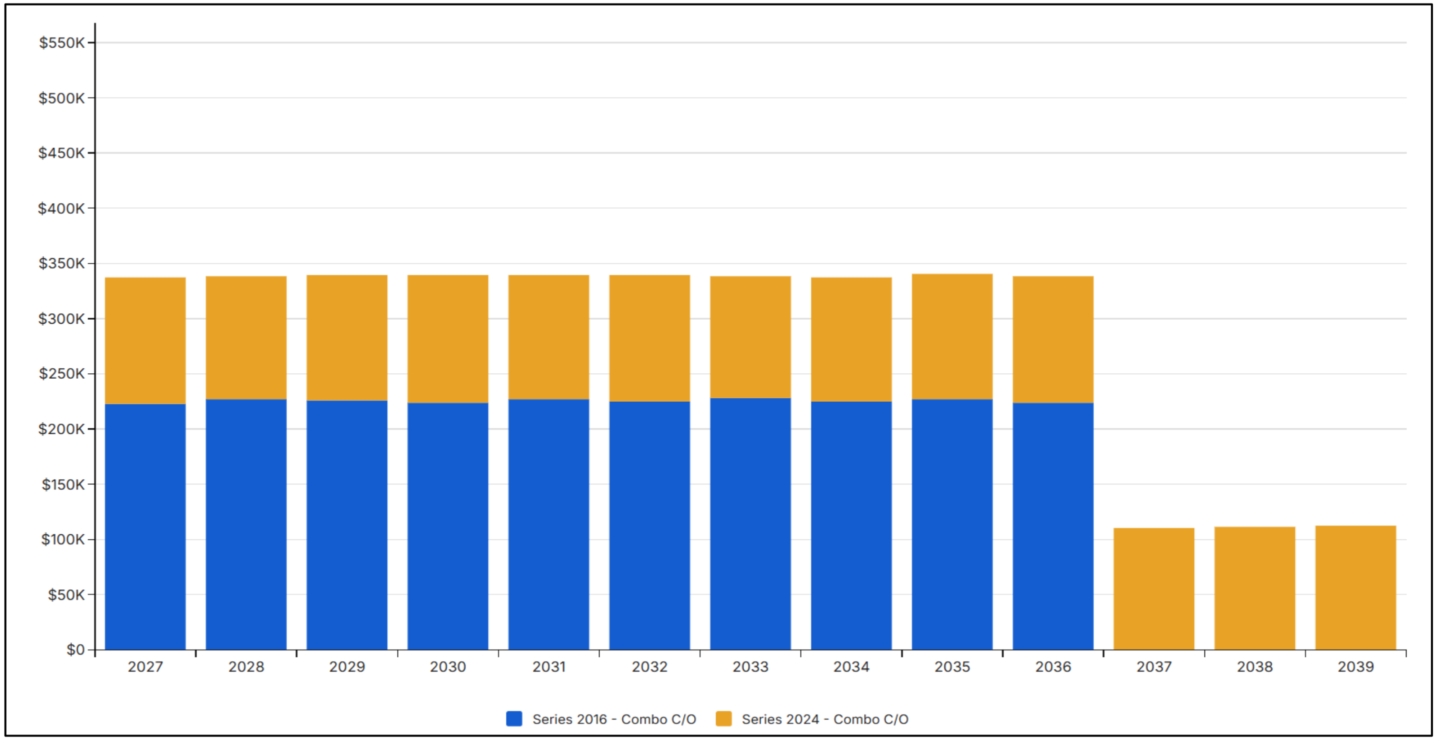
    2) Debt Service and Tax Impact of New Debt

    3) Next Steps for a Successful Bond Sale

Overview of the City's Outstanding Debt

Highlights:

- **$2.975M** in outstanding debt across **2 bond issues** (as of 9/30/2026)
- **Purpose:** Capital projects
- **Terms:** 2036-2039 maturities
- **Rating:** "AA" by S&P (new rating analysis to be applied for)



Series 2026 Certificates of Obligation – Tax Impact Estimate

- Bond amount modeled: **$2.5M**
- Terms modeled: **20 years**
- Estimated I&S Tax Rate Impact **10.67¢**
  - ➢ Projections conservatively assume the 17.02% decline in Preliminary Taxable Values

Bond Amount (Series 2026)	Term	Est. Rate *	Estimated Annual Debt Service **	I&S Tax Rate Impact **
$2,500,000	20-Year	4.29%	$192,195	**10.67¢**

(*) Conservative interest rates for planning purposes only.

(**) Preliminary, for illustration purposes only.

Financing Plan

- **Financing Tool:** Certificates of Obligation, Series 2026
  - Borrowing Amount: $2,500,000
  - Purpose: Improvement to the Water & Wastewater System

- **Enter the market:** Thursday, September 10, 2026
  - Competitive Sale Method
    - Bid Opening at 10 a.m.
    - Awarded to lowest interest rate bidder

- **Funds delivered:** Tuesday, October 6, 2026

- **First bond payment due:** February or March 1, 2027*

(*) Preliminary, subject to change.

Transaction Timeline

July 9

Council approves a **Financing Plan and Notice of Intent**

July 22

First Publication of the NOI appears in the Wilson County News;
NOI posted on City's website and remain through Sept 10

July 25

Receive **Certified Values** from Wilson Co. Appraisal District

July 29

Second Publication of the NOI appears in the Wilson County News

September 10

Open Bids
(i.e., lock-in interest rate);
Council approves Bond Ordinance

October 6

Bond Closing; delivery of proceeds

Highlighted dates indicate board action.

Appendix

Detailed, updated I&S tax rate pro forma as of June 10, 2026

Preliminary I&S Tax Rate Pro Forma - $2.5M Certificates of Obligation

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
FYE 9/30	Net Taxable Assessed Valuation	*Est. Growth*	Existing D/S	Less: Self-Supporting D/S	**$2,500,000 Series 2026 9/16 4.29%**	Projected Total D/S	Less: Available D/S Funds	Projected Total Net D/S	Projected I&S Tax Rate	Change
2026	276,465,055		$ 339,475	$ -	$ -	$ 339,475	$ -	$ 339,475	$ 0.1279	$ -
2027	229,423,409	*-17.02%*	337,600	-	189,844	527,444	-	527,444	0.2346	0.1067
2028	234,011,877	*2.00%*	338,800	-	191,125	529,925	-	529,925	0.2311	
2029	238,692,115	*2.00%*	339,500	-	192,250	531,750	-	531,750	0.2273	
2030	243,465,957	*2.00%*	339,800	-	193,125	532,925	-	532,925	0.2234	
2031	248,335,276	*2.00%*	339,800	-	193,750	533,550	-	533,550	0.2192	
2032	253,301,982	*2.00%*	339,300	-	194,125	533,425	-	533,425	0.2149	
2033	258,368,021	*2.00%*	338,500	-	189,375	527,875	-	527,875	0.2085	
2034	263,535,382	*2.00%*	337,200	-	194,375	531,575	-	531,575	0.2058	
2035	268,806,089	*2.00%*	340,500	-	194,000	534,500	-	534,500	0.2029	
2036	274,182,211	*2.00%*	338,200	-	193,375	531,575	-	531,575	0.1978	
2037	279,665,856	*2.00%*	110,600	-	192,500	303,100	-	303,100	0.1106	
2038	285,259,173	*2.00%*	111,500	-	191,375	302,875	-	302,875	0.1083	
2039	290,964,356	*2.00%*	112,200	-	190,000	302,200	-	302,200	0.1060	
2040	296,783,643	*2.00%*	-	-	193,250	193,250	-	193,250	0.0664	
2041	302,719,316	*2.00%*	-	-	191,125	191,125	-	191,125	0.0644	
2042	308,773,702	*2.00%*	-	-	193,625	193,625	-	193,625	0.0640	
2043	314,949,176	*2.00%*	-	-	190,750	190,750	-	190,750	0.0618	
2044	321,248,160	*2.00%*	-	-	192,500	192,500	-	192,500	0.0611	
2045	327,673,123	*2.00%*	-	-	193,750	193,750	-	193,750	0.0603	
2046	334,226,586	*2.00%*	-	-	189,625	189,625	-	189,625	0.0579	
Totals			$ 4,062,975	$ -	$ 3,843,844	$ 7,906,819	$ -	$ 7,906,819		$ 0.1067

Assumptions:

(1) FY 2026 Net Taxable Assessed Valuations ("AV") provided by the Wilson County Appraisal District ("WCAD") as of July 21, 2025. Preliminary FY 2027 AV provided WCAD as of April 29, 2026. Projected AV grow th, if any, is show n for purposes of illustration only.

(2) All financing assumptions are as of June 10, 2026 for purposes of illustration only. Preliminary, subject to change.

(3) Series 2026 assumes a September 2026 delivery and current market rates + 35bps for purposes of illustration only.

(4) Est. tax collections rate: 98.00%